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Agricultural Situation

Rural Development Programs for 2007-2013

2007

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Report Highlights:

To date, three sets of rural development programs have been approved for the period 2007-2013. The programs are co-funded by the European Agricultural Fund for Rural Development (EAFRD) and the Member States (MS) concerned. Most of the programs prioritize the second objective provided by Council Regulation (EC) No 1698/2005, which is "improving the environment and the countryside by supporting land management". Subsequently to this, fifteen additional rural development programs must be approved for this financial perspective period.

Includes PSD Changes: No
Includes Trade Matrix: No
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[E4]

Rural Development programs for 2007-2013

According to [Council Regulation \(EC\) No 1698/2005](#), Member States (MS) must create multi-annual Rural Development (RD) programs at their appropriate territorial level and according to their own institutional arrangements. The programming of RD should comply with Community and MS's national priorities, and complement the other Community policies, in particular the agricultural market policy, cohesion policy and common fisheries policy. The RD programs are co-funded by the [European Agricultural Fund for Rural Development](#) (EAFRD) and the MS concerned.

RD Programs have already been approved for eleven MS for the period 2007-2013. The first set of programs was approved on May 23, 2007 for Sweden and Czech Republic. On June 20, 2007, the second set of RD programs was approved for Italy, France, Finland and the Netherlands. The third set of RD programs was approved on July 25, 2007 for Germany, Ireland, UK, Poland and Slovenia. Subsequently to this, another 15 programs need to be approved for the period 2007-2013.

Co-funding RD programs

The proportion of the RD program being financed by the EAFRD during 2007-2013 varies between MS. Up to date, the MS holding the largest EU contribution to the total cost of the program are Czech Republic, Slovenia and Poland, with more than 75 percent of the RD program total cost being financed by the EAFRD. On the other hand, Finland is the MS having the lowest proportion of EU financing, with 31 percent of its RD program total cost. (See Table 1)

Table 1: Approved RD programs for 2007-2013 as of July 2007

Member State	Total RD budget	RD financed by EU	% financed by EU
Sweden	3,917	1,826	46.62%
Czech Republic	3,615	2,815	77.87%
Italy	1,248	549	43.99%
France	10,800	5,700	52.82%
Finland	6,626	2,062	31.00%
Netherlands	973	486	49.95%
Germany	6,327	3,752	59.30%
Ireland	4,299	2,340	54.43%
UK	323	171	52.94%
Poland	17,218	13,230	76.84%
Slovenia	1,159	900	77.65%

All values in million Euros

Source: [European Commission - RD Country Files](#)

As shown in Table 2 and 3, a minimum EAFRD total contribution to the RD programs by axis¹ has been set by EC Regulation 1698/2005.

¹ -Axis I: Improving the competitiveness of the agricultural and forestry sector
 -Axis II: Improving the environment and the countryside
 -Axis III: Enhancing the quality of life in rural areas and diversification of the rural economy
 -Axis IV: Leader

Table 2: Distribution of EAFRD contribution per axis per MS for the first two sets of approved programs ²

		Set 1		Set 2					Minimum EAFRD contribution
		Sweden	Czech Republic	Italy (Bolzano)	Italy (Emilia-Romagna)	France	Finland	Netherlands	
Axis I	Total cost Axis I	555	840	74.8	383	3921.5	504	291	10%
	EAFRD contribution	278	630	32.9	168.5	1960.8	227	145	
	% of EAFRD contribution	50.09%	75.00%	43.98%	43.99%	50.00%	45.04%	49.83%	
Axis II	Total cost Axis II	2702	1945	194	397.1	5599.9	5407	289	25%
	EAFRD contribution	1261	1554	85.4	174.7	3079.5	1513	145	
	% of EAFRD contribution	46.67%	79.90%	44.02%	43.99%	54.99%	27.98%	50.17%	
Axis III	Total cost Axis III	326	635	28.2	97.5	696.9	433	290	10%
	EAFRD contribution	147	477	12.5	42.9	348.4	195	145	
	% of EAFRD contribution	45.09%	75.12%	44.33%	44.00%	49.99%	45.03%	50.00%	
Axis IV	Total cost Axis IV	264	175	15.6	47.7	520.6	242	97	5%
	EAFRD contribution	105	140	6.9	21	286.3	109	48	
	% of EAFRD contribution	39.77%	80.00%	44.23%	44.03%	54.99%	45.04%	49.48%	
TA	Total cost TA	70	18	0	9.3	104	40	6	NA
	EAFRD contribution	35	13	0	4.1	52	18	3	
	% of EAFRD contribution	50.00%	72.22%	0.00%	44.09%	50.00%	45.00%	50.00%	

All values in million Euros

Source: [European Commission - RD Country Files](#)

Most of the approved RD programs are receiving substantially higher EAFRD contributions by axis than the minimum amount required by the Regulation. The exception is Finland, which is receiving an EAFRD contribution of 27.98 percent, only 2.98 percent more than the required minimum EAFRD contribution to Axis III. (See Table 2 and 3)

Table 3: Distribution of EAFRD contribution per axis per MS for the third set of approved programs

		Set 3					Minimum EAFRD contribution
		Germany	Ireland	UK	Poland	Slovenia	
Axis I	Total cost Axis I	1642.8	482	35	7187.5	399	10%
	EAFRD contribution	954.9	241	17	5390.6	300	
	% of EAFRD contribution	58.13%	50.00%	48.57%	75.00%	75.19%	
Axis II	Total cost Axis II	3012.9	3385.3	188	5546	588	25%
	EAFRD contribution	1728.1	1861.9	103	4436.8	470	
	% of EAFRD contribution	57.36%	55.00%	54.79%	80.00%	79.93%	
Axis III	Total cost Axis III	1270.3	-	-	3430.2	132	10%
	EAFRD contribution	817.57	-	-	2572.6	99	
	% of EAFRD contribution	64.36%	-	-	75.00%	75.00%	
Axis IV	Total cost Axis IV	320.2	425.4	100	787.5	34	5%
	EAFRD contribution	197.1	134	50	630	27	
	% of EAFRD contribution	61.56%	31.50%	50.00%	80.00%	79.41%	
TA	Total cost TA	80	6	-	266.6	6	NA
	EAFRD contribution	53.8	3	-	199.9	4	
	% of EAFRD contribution	67.25%	50.00%	-	74.98%	66.67%	

All values in million Euros. Axis III and LEADER implemented together in the Irish and UK programs

Source: [European Commission - RD Country Files](#)² "TA" refers to "Technical Assistance".

Table 4: Allocation of resources to RD programs per axis per MS for the first two sets of approved programs

		Sweden	Czech Republic	Italy (Bolzano)	Italy (Emilia-Romagna)	France	Finland	Netherlands
Axis I	Total cost Axis I	555	840	74.8	383	3921.5	504	291
	% of total RD budget	14.17%	23.25%	23.93%	40.98%	36.17%	7.61%	29.91%
Axis II	Total cost Axis II	2702	1945	194	397.1	5599.9	5407	289
	% of total RD budget	68.98%	53.83%	62.06%	42.49%	51.65%	81.60%	29.70%
Axis III	Total cost Axis III	326	635	28.2	97.5	696.9	433	290
	% of total RD budget	8.32%	17.58%	9.02%	10.43%	6.43%	6.53%	29.80%
Axis IV	Total cost Axis IV	264	175	15.6	47.7	520.6	242	97
	% of total RD budget	6.74%	4.84%	4.99%	5.10%	4.80%	3.65%	9.97%
TA	Total cost TA	70	18	0	9.3	104	40	6
	% of total RD budget	1.79%	0.50%	0.00%	1.00%	0.96%	0.60%	0.62%

All values in million Euros

Source: [European Commission - RD Country Files](#)

The majority of the approved RD programs prioritize funds for improving the environment and country side through Axis II. The second priority focuses on improving competitiveness of the agriculture and forestry sector through Axis I. Enhancing the quality of life in rural areas and diversification of the rural economy, and Leader are placed as third and four priorities respectively. The distribution of funds for the Netherlands RD program approaches 30 percent for axes I, II and III, leaving Axis IV with only 9.97 percent of the funds (see Table 4).

Table 5: Distribution of EAFRD contribution per axis per MS for the third set of approved programs

		Set 3				
		Germany	Ireland	UK	Poland	Slovenia
Axis I	Total cost Axis I	1642.8	482	35	7187.5	399
	% of total RD budget	25.97%	11.21%	10.84%	41.74%	34.43%
Axis II	Total cost Axis II	3012.9	3385.3	188	5546	588
	% of total RD budget	47.63%	78.75%	58.20%	32.21%	50.73%
Axis III	Total cost Axis III	1270.3	-	-	3430.2	132
	% of total RD budget	20.08%	-	-	19.92%	11.39%
Axis IV	Total cost Axis IV	320.2	425.4	100	787.5	34
	% of total RD budget	5.06%	9.90%	30.96%	4.57%	2.93%
TA	Total cost TA	80	6	-	266.6	6
	% of total RD budget	1.26%	0.14%	-	1.55%	0.52%

Germany, Ireland, UK and Slovenia prioritize funds for improving the environment and country side through Axis II as well. The second and third priorities focus also on Axis I and Axis IV respectively. However, Poland prioritizes enhancing the quality of life in rural areas and diversification of the rural economy through Axis I, and subsequently focuses on Axis II, III and IV.